

**MINUTES  
REGULAR MEETING  
UTILITY SERVICE BOARD  
APRIL 16, 2012**

The Regular Meeting of the Utility Service Board of the City of Jasper, Indiana, was held in the Council Chambers of City Hall in Jasper at 7:00 PM on Monday, April 16, 2012.

The meeting was called to order by Chairman Wayne Schuetter.

**TEMPORARY APPOINTMENT** (DVD-00:03)

Due to the absence of Secretary Mike Harder, Wayne Schuetter stated that an Acting Secretary needs to be appointed. Alex Emmons made a motion to appoint Doug Schulte as Acting Secretary for this meeting. Rick Stradtner seconded the motion. Motion approved, 5-0.

**UPON CALL OF THE ROLL, THE FOLLOWING WERE PRESENT:**

Wayne Schuetter – Chairman  
Rick Stradtner – Vice Chairman  
Doug Schulte – Water Commissioner  
Alex Emmons – Wastewater Commissioner  
Greg A. Krodel – Gas Commissioner

**ALSO PRESENT:**

Jerry Schitter – Electric Distribution Manager  
Windell Toby – Electric Generation Manager  
Mike Oeding – Gas & Water Manager  
Ed Hollinden – Wastewater Manager  
Bud Hauersperger – General Manager  
Ashley Kiefer – Office Manager  
Bill Shaneyfelt – City Attorney

**ABSENT:**

Mike Harder - Secretary  
Ken Sendelweck – Electric Commissioner

**PLEDGE OF ALLEGIANCE** (DVD-01:10)

Chairman Wayne Schuetter led the Pledge of Allegiance.

**NEW EMPLOYEE INTRODUCTION** (DVD-01:39)

Charlie Schneider introduced Cale Knies as Assistant Personnel, Safety, and Loss Control Director as of April 16<sup>th</sup>. Knies will become the full time Personnel and Safety Director on May

1<sup>st</sup>. The Board welcomed Knies and thanked Schneider for his hard work and dedication through the years. Schneider will be retiring on April 30<sup>th</sup>.

**QUOTE OPENING: CENTRAL TIE SUBSTATION BREAKER REPLACEMENT & REMOTE RACKING SYSTEM - ELECTRIC DISTRIBUTION** (DVD-04:50)

Bud Hauersperger opened the quotes and read them aloud as follows:

- |              |              |
|--------------|--------------|
| 1. ABB, Inc. | \$174,905.00 |
| Florence, SC |              |

The quote included a signed non-collusion affidavit.

- |                           |              |
|---------------------------|--------------|
| 2. Wesco Utility Division | \$184,105.00 |
| Daleville, IN             |              |

The quote included a signed non-collusion affidavit.

Rick Stradtner made a motion to take the quotes under advisement. Alex Emmons seconded the motion. Motion approved, 5-0.

**APPROVAL OF MINUTES** (DVD-08:22)

Chairman Wayne Schuetter presented the minutes of the March 19, 2012 Regular Meeting and there being no corrections or amendments, asked for a motion to approve the minutes. Doug Schulte made a motion to approve the minutes of the March meeting as presented. Greg Krodel seconded the motion. Motion approved, 5-0.

**RESULTS OF CENTRAL TIE SUBSTATION BUILDING EXTENSION & FOUNDATION INSTALLATION BID OPENING** (DVD-08:56)

Jerry Schitter stated that ISC, the engineers on this project, recommends the low bid from Jasper Lumber for \$36,715, which met specifications.

Greg Krodel made a motion to approve the contract with Jasper Lumber Company for the low bid of \$36,715 for the Central Tie Substation Building Extension and Foundation Installation. The motion was seconded by Doug Schulte. Motion approved, 5-0.

**WATER LEAK** (DVD-10:22)

Windell Toby informed the Board of an 8 inch water main leak at the power plant. The Water department employees fixed the leak.

**JASPER CLEAN ENERGY MONTHLY REPORT** (DVD-10:59)

Bud Hauersperger explained the Jasper Clean Energy monthly report for March to the Board. Jasper Clean Energy provided proposals to several utilities during the month of March for the sale of both long term and intermediate generating capacity and energy. There was also a BCAP

biomass crop assistance program sponsored by the USDA. The program was unsuccessful due to the timing.

There may be a generating equipment configuration change. Jasper Clean Energy could potentially install the gas turbine ahead of schedule, in the 1<sup>st</sup> phase, which would generate power faster while continuing to work on the biomass supply.

#### **ELECTRIC PLANNING COMMITTEE REPORT** (DVD-14:10)

Bud Hauersperger, General Manager of Utilities, stated the committee did not meet during the past month.

#### **RESULTS OF NORTH TOWER ENGINEERING PROPOSALS** (DVD-14:18)

Mike Oeding informed the Board that he received two proposals for the North Tower project. The proposal from Norman Noe did not meet specifications. Midwestern Engineers did meet specifications but the construction estimates were high. The estimate of \$394,000 from Midwestern is worst case scenario. A lot of the items quoted would most likely not be needed. The tower needs to be fixed, as Oeding said they cannot put it off with IDEM any longer. The tower repairs should last for the next 20 years.

Doug Schulte made a motion to approve entering into an agreement with Midwestern Engineering to oversee the bidding and specifications of the North Water Tower project for \$8,400. The motion was seconded by Greg Krodel. Motion approved, 5-0.

#### **WATER INTAKE PROBLEMS** (DVD-23:48)

Oeding informed the Board that several times a week they are taking out approximately 5 to 10 loads of mulch and debris from the water treatment plant intake, which are two 24" pipes that go out into the river. Debris floating down the river is coming into the intake screen and they are spending too much time cleaning it out and hauling the debris away. Initial thoughts are that there is some kind of formation around the intake that is directing debris into the pipes.

Oeding would like to hire Liquid Engineering, at a rate of \$2,100 for 4 hours plus an additional \$425 for every additional hour, to dive down and figure out the intake problems. Oeding estimates it will take no longer than an 8 hour day for the divers to access the problem, which will include diving time, reporting, and if the conditions are right, video footage.

Alex Emmons made a motion to enter into a contract with Liquid Engineering for a not to exceed amount of \$3,800. The motion was seconded by Rick Stradtner. Motion approved, 5-0.

#### **INCREASE IN RETAINER FEES FOR USDI ENGINEERING SERVICES** (DVD-31:07)

Oeding explained to the Board that USDI has increased their retainer fees from \$150 to \$175 per month or an additional \$300 per year. USDI has been on retainer with the City for years. USDI are experts in the gas field. They look at the capacity relief on our regulators and stations. They have recently added a cloud system, which has proven to be very beneficial.

Doug Schulte made a motion to approve entering into a contract with USDI for \$175 per month, upon the approval from legal counsel and the General Manager. The motion was seconded by Greg Krodel. Motion approved, 5-0.

### **UGM HEDGE FOR GAS** (DVD-34:37)

Oeding informed the Board that UGM completed the second hedge for the winter of 2012- 2013. The hedge was completed at a price of \$3.38 per dekatherm, which is \$1.22 less than the second hedge for this year. Gas prices are good, and dropping.

### **GAS PLANNING COMMITTEE REPORT** (DVD-36:00)

Greg Krodel, Chairman of the Gas Planning Committee, stated the committee did not meet during the past month.

### **WATER PLANNING COMMITTEE REPORT** (DVD-36:06)

Doug Schulte, Chairman of the Water Planning Committee, stated the committee met on April 11<sup>th</sup>. The Committee discussed the Beaver Lake Dam Rehabilitation project change orders.

Force Construction is requesting an additional 36 day extension due to weather delays on the Beaver Lake Dam Rehabilitation project. Christopher Burke Engineering agrees with Force's reckoning of the days but believe that some of these were foreseeable delays that should have been anticipated by Force in their original bid. Due to funding issues with the OCRA Grant, the Notice to Proceed was later than the contractor anticipated. Earth moving should have begun in September or October but did not start until November, which was wetter than normal, pushing the project back further. Force also had to pay employees overtime rates for longer days and some weekends in the effort to catch up.

Force Construction's projected substantial completion date is May 25. Force would have 51 days of liquidated damages if no additional days were added. Christopher Burke Engineering believes that 18 days is a justified extension time due to the circumstances. Christopher Burke Engineering will negotiate with Force Construction on the extension.

Christopher Burke Engineering is requesting a contract amendment from the City for an additional \$25,000 due to the duration of construction being considerably longer than originally anticipated. When the engineering firm signed the contract with the City in December of 2010, the construction of the project was anticipated to take 4 months to complete. Because of delays with OCRA prior to bidding, the bidders at the pre-construction meeting requested two additional months due to the potential for at least some of the work to occur over the winter. The contract time was changed through an addendum to allow for 6 months. With the additional delays due to weather, it now appears that the total construction time frame will be almost 8 months. Christopher Burke has to do inspections and oversee the project, regardless if construction work is being done.

Christopher Burke Engineering is also requesting an additional berm drain to be placed on the top of the Dam. The berm drain will cost the City approximately \$6,000. Krodel suggests negotiating with Force regarding the drain costs due to the construction mistake with the 1 inch

short spillway wall the City did not make Force redo. Schuetter wants to make sure the drain is done right so the City will not have to make changes in the next few years.

The Committee agreed to recommend to the USB an 18 to 20 day extension for Force Construction, to recommend the City pay the additional engineering costs to Christopher Burke Engineering, and to recommend asking Force Construction to cover the cost of the additional berm drain, contingent upon legal approval of the change order at May's USB meeting.

Hauersperger explained to the Board that he attended a construction meeting at the Dam after the Water Committee meeting. Christopher Burke Engineering negotiated with Force Construction on our behalf to extend the contract 58 days, of which Force Construction would pay 40 days and the City would pay 18. This would give the project a \$10,000 credit and move the construction completion date to June 1<sup>st</sup>.

Also, Force Construction agreed to add the additional berm drain at no charge, which was originally going to cost \$6,000. There is also an additional credit from Force for \$13,140 because the County hauled off some of the rock and excavated material. The change order for Force Construction is a credit for \$23,140.

Hauersperger also explained that there is an addendum request from Christopher Burke Engineering to change the engineering contract for an additional \$24,600, due to the duration of construction being considerably longer than originally anticipated and weather delays discussed previously.

Greg Krodel made a motion to approve Change Order #1 from Force Construction for extending the completion date to June 1<sup>st</sup>, absorbing the cost of the berm drain and accepting credits in an amount of \$23,140. The motion was seconded by Doug Schulte. Motion approved, 5-0.

Alex Emmons made a motion to approve the request from Christopher Burke to increase the original contract amount for an additional, not to exceed, amount of \$24,600. The motion was seconded by Rick Stradtner. Motion approved, 5-0.

The Water Committee also discussed the North Water Tower rehabilitation, the water intake problems, and the USDI retainer increase, which Oeding discussed earlier in the meeting.

#### **NORTHSIDE SEWER PROJECT UPDATE** (DVD-54:20)

Ed Hollinden updated the Board on the Northside Sewer Project. There are two weeks of open cut work to do yet in the Skyline and Fairway subdivisions. At the time of completion, installing of the saddles on the line portion of the sewer will begin. Insituform should complete the lining portion this week.

#### **WASTEWATER PLANNING COMMITTEE REPORT** (DVD-56:25)

Alex Emmons, Chairman of the Wastewater Planning Committee, stated the committee did not meet during the past month.

### **PAYMENT REQUEST FROM FORCE CONSTRUCTION** (DVD-56:36)

Hauersperger presented a payment request on behalf of Force Constructions for \$397,932.15 for the Beaver Lake Dam Rehabilitation Project. This is the seventh payment towards the project.

Rick Stradtner made a motion to approve the Contractor's Application for Payment #7 to Force Construction in the amount of \$397,932.15. The motion was seconded by Doug Schulte. Motion approved, 5-0.

### **METRO NET FIBER TO THE HOME PROPOSAL** (DVD-58:34)

Hauersperger informed the Board that Metro Net has approached the City with a proposal regarding providing fiber to the homes in the City of Jasper. This would allow Metro Net to sell telephone, internet and cable television packages to Jasper residents.

Metro Net would install fiber if the City lets them use their poles, right-of-ways, etc. Metro Net would give the City "dark" fiber in exchange. Therefore, the City would benefit from the fiber anywhere in the City.

Much analysis is needed to see how much this would benefit the City. Hauersperger is also going to check with other companies to see if they would like the option to work with the City on this subject.

### **HEIDORN PROPERTY UPDATE** (DVD-01:04:15)

Hauersperger told the Board that the purchase agreement for the Heidorn property has been signed. The City has received the title work and Bingham, Greenebaum, and Doll are reviewing it. They could close on the property as early as next week.

### **WATER BOND REFINANCING UPDATE** (DVD-01:04:57)

Hauersperger updated the Board on the recent activity regarding the water bond refinancing. Refinancing the water bond could save \$100,000 a year for the next 9 years, totaling a \$900,000 savings.

He recently received two proposals for bond counsel which were within \$100 of each other. Hauersperger negotiated with Ice Miller and Bingham, Greenebaum, Doll and they both decreased their proposal amounts by \$1,000. Bingham, Greenebaum, Doll had the lowest price of \$7,500 in the end; therefore Hauersperger recommends proceeding with them.

Alex Emmons made a motion to approve Bingham, Greenebaum, Doll as legal counsel for the water bond refinancing for \$7,500. The motion was seconded by Doug Schulte. Motion approved, 5-0.

### **FINANCE COMMITTEE REPORT & PRESENTATION OF CLAIM DOCKET** (DVD-01:08:23)

Doug Schulte reported the Finance Committee had met and reviewed the claims on the Claim Docket.

The Finance Committee recommended approval of the claims as presented.

Rick Stradtner made a motion to approve the claims as presented. Greg Krodel seconded the motion. Motion approved, 5-0.

**RESOLUTION ADJUSTING VACATION TIME FOR FULL-TIME EMPLOYEES**  
(DVD-01:09:05)

Bill Shaneyfelt presented to the Board Resolution No.USB 2012-5, which recommends an amendment of the employee vacation policy. At the March meeting, the Common Council wanted the vacation policy changed for all employees, instead of only department heads. The new Resolution states, as of January 1, 2012, the City will grant 10 vacation days to full-time employees in their first or second year of service.

Rick Stradtner made a motion to approve Resolution USB 2012-5. The motion was seconded by Doug Schulte. Motion approved, 5-0.

**STRATEGIC PLANNING & LEADERSHIP INITIATIVE** (DVD-01:11:33)

Mayor Seitz asked that the Board consider entertaining a motion regarding the Strategic Planning and Leadership Program. The program has been discussed at the past three Utility Service Board meetings.

Rick Stradtner made a motion to approve a not to exceed amount of \$22,000 for the Strategic Planning and Leadership Initiative. The motion was seconded by Greg Krodel.

Since the previous Board meeting, Chairman Schuetter and Councilman Kevin Manley have contacted several references for Chorus Inc. Some Board members still feel this is not the right time to spend out of budget for leadership training. Others feel a rate study should be done before spending any more money. Everyone agrees that the training will benefit the City employees and they are worth investing time and money in, but some don't agree on the timing of the project. Much discussion followed between the Board members and Mayor Seitz.

Chairman Schuetter made an amendment to the motion, to commit to the not to exceed amount of \$22,000, contingent upon the Common Council's approval to move forward with the project and commit the 60% of the funding for their portion of the project.

The motion was approved 5-0.

There being no further business to come before the Board, the meeting was adjourned at 8:57 PM upon motion by Rick Stradtner and second by Alex Emmons. Motion approved, 5-0.

The minutes were hereby approved \_\_\_\_\_ with   X   without corrections this \_\_\_\_\_ day of \_\_\_\_\_, 2012.

Attest: \_\_\_\_\_  
Secretary Chairman